

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of
Liu et al.
Application No. 08/822,963
Filed: March 21, 1997
Atty Docket No. ENZ-56

OFFICE OF PETITIONS
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**REQUEST TO VACATE ORDER TO SHOW CAUSE WHY DECISION
REVIVING THIS APPLICATION SHOULD NOT BE VACATED**

Sir:

This is a Request to Vacate the Order to Show Cause Why Decisions Reviving Applications Should Not Be Vacated ("Order") issued in the above-captioned application. A Request to Expedite the treatment of this Petition and a Petition to Expunge are being submitted separately.

Petitioner respectfully urges that no fees are due because the Show Cause Order was improperly issued. Nevertheless, should the USPTO determine that any fees are required to have the Order vacated, including any extension of time fees, the USPTO is authorized to charge Deposit Account No. 50-2929, making reference to Docket Number J10010.

Background

The instant application first became abandoned on September 6, 1998, for failure to reply to the Office Action of June 5, 1998. A Notice of Abandonment was mailed on December 15, 1998.

Ron Fedus, patent counsel for the assignee, Enzo Biochem, Inc. ("Enzo"), filed a petition to revive under 37 C.F.R. § 1.137(b) three months later, on March 15, 1999.

At that time, 37 C.F.R. § 1.137(b) required a Petitioner to: (i) state that "the entire delay from the due date for the required reply to the date of filing a grantable petition was unintentional"; (ii) file a proposed response; and (iii) pay a fee. 37 C.F.R. § 1.137(b) (1997); *see also* Manual of Patent Examining Procedure (MPEP) § 711.03(c)(7th Ed., July 1998 ("the Office will generally require only the statement that the entire delay in providing the required reply from the due date for the reply until the filing of a grantable petition pursuant to 37 CFR 1.137(b) was unintentional...")

In his petition, Mr. Fedus stated that "the delay in taking action was unintentional as was the delay in filing the response" and that the application was "unintentionally abandoned." Mr. Fedus also filed a proposed reply (an amendment under 37 C.F.R. § 1.115) and paid the required fee. The USPTO granted Mr. Fedus' petition to revive almost six months later, on June 1, 1999. The decision, signed by two officials from the Office of Petitions, noted that Mr. Fedus' statements were accepted and being construed as the exact statement required by the rule.

The instant application became abandoned again on January 12, 2001, for failure to reply to the final Office action of October 11, 2000. A Notice of Abandonment was mailed on May 9, 2001.

Mr. Ron Fedus, Enzo's patent counsel, filed a petition to revive under 37 C.F.R. § 1.137(b) on January 11, 2002. The requirements for this petition were the same as for the petition filed on March 15, 1999.

In this petition, Mr. Fedus stated that “the entire delay in filing the response to the October 11, 2000 Office Action until the filing of this petition was unintentional,” and that the application was “unintentionally abandoned.” Mr. Fedus also filed a proposed reply (a Request for Continued Examination with an amendment) and paid the required fee. The USPTO granted Mr. Fedus' petition a little more than a year and a half later, on July 23, 2003. The decision noted that the petition “included a proper statement of unintentional delay.”

On July, 2, 2008, more than nine years and almost five years after the first and second decisions to revive the instant application, respectively, the USPTO issued the instant Order. The Order requires Enzo to show cause why the USPTO should not vacate its earlier decisions reviving the application.

In its Order, the USPTO indicates that during all periods relevant to the decisions on petition in this application Enzo was required “to show that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition” was unintentional. Order, page 6. The USPTO also contends that Mr. Fedus' testimony in an unrelated deposition proceeding supported an inference that the delay was actually intentional. *Id.* at page 12.

**A. The USPTO Is Applying the Wrong Standard For Petitions to Revive
Filed In 1999 and 2002**

**1. 37 C.F.R. § 1.137(b) Required A Statement, Not a Showing,
That The Entire Delay Was Unintentional**

The USPTO erroneously asserts that Enzo was required “to show that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition” was unintentional. Order, page 6.¹ Rather, during all periods relevant to the petitions in this application, Enzo was *only* required under the terms of 37 C.F.R. § 1.137(b), to include a statement that “the entire delay... was unintentional.” The USPTO accepted Mr. Fedus’ statements of unintentional delay and revived the application.

At the time Mr. Fedus filed his petitions, 37 C.F.R. § 1.137(b) authorized the USPTO to seek additional information if there was a question whether the delay was unintentional. The USPTO declined to do so on two separate occasions. Indeed, Mr. Fedus’ statements were accepted twice, by three different officials from the Office of Petitions. The USPTO has not provided any basis, nor is there any basis apparent in the instant file or the regulations themselves, for belatedly second-guessing its decisions and requiring that Enzo show cause why these decisions should not be vacated.

**2. The USPTO Has Not Provided Any Evidence That the Delay
Was Intentional**

The MPEP in effect in March 1999 and January 2002, made clear that a petition to revive under 37 C.F.R. § 1.137(b) will generally be granted, unless there is some reason to question whether the abandonment (or the delay) was intentional:

¹The requirement of a “showing” is imposed for petitions under 37 CFR 1.137(a) *only*. See MPEP 711.03(c), subsection III, paragraph (F) (7th Ed. July 1998; 8th Ed., Aug. 2001).

While the Office will generally require only the statement that the entire delay in providing the required reply from the due date for the reply until the filing of a grantable petition pursuant to 37 CFR 1.137(b) was unintentional, the Office may require an applicant to carry the burden of proof to establish that the delay...was unintentional within the meaning of 35 U.S.C. 41(a)(7) and 37 CFR 1.137(b) where there is a question whether the entire delay was unintentional. See *Application of G*, 11 USPQ2d at 1380.

MPEP § 711.03(c) (7th Ed., July 1998; 8th Ed., Aug. 2001).

The USPTO has provided no evidence that the delay herein was intentional. Instead, it merely alleges that Mr. Fedus' testimony in an unrelated proceeding, and a purported "pattern" of abandonment and delay, supports an inference that Enzo's delay in this case was intentional. Enzo respectfully submits that neither of these pieces of information supports the Order.

First, nothing in Mr. Fedus' testimony suggests that he intentionally abandoned the instant application, intentionally delayed filing the Petition to Revive, or intentionally delayed the prosecution of the inventions(s) described in this application².

Mr. Fedus testified that as far as he could recall, the delay in filing a petition to revive in a different, unrelated application was due in part to "dealing with the previous office action, trying to figure out the response to reply," and "preparing a response to the last office action." Order, page 12. But this testimony is irrelevant to this application or whether its

² See *Goss International v. MAN Roland, Inc.*, No. 03-CV-513-SM, 2006 U.S. Dist. LEXIS 53245 at * 5 (court distinguishing between abandonment of an application that may be revived under 37 C.F.R. § 1.137(b) *e.g.*, as evidenced by the filing of a continuation application to further prosecute the disclosed invention, and the irremediable abandonment of the invention itself.) In this case, Enzo continued to prosecute the inventions disclosed in the instant application through subsequent continuing applications.

abandonment, or its delay, was intentional. Moreover, even if this testimony was relevant, Mr. Fedus' explanation is reasonable. Once a party realizes that an application has been unintentionally abandoned, it always takes some amount of time to investigate the circumstances that led to abandonment and prepare and finalize a response. The USPTO has failed to show that Mr. Fedus' actions in this case, or his testimony in an unrelated proceeding, is in any way unreasonable.

Second, the purported "pattern" referenced in the Order relates to abandonments and revivals in *other applications* occurring after the abandonments and revivals of this application. But this information has nothing whatsoever to do with this application or whether its delay was intentional.

Accordingly, since Enzo complied with 37 C.F.R. § 1.137(b) in effect at the time the petitions to revive were filed, and since the USPTO has not provided any evidence that the delay in this application was intentional, Enzo respectfully requests that the Order be vacated.

B. The Order—Issued Almost 5 Years After The USPTO's Grant of the Last Enzo Petition— Is Unreasonable

Under 37 C.F.R. § 1.137(b), the USPTO "may require additional information where there is a question whether the delay was unintentional." 37 C.F.R. § 1.137(b)(3) (Dec. 1, 1997). The USPTO twice—by way of three deciding officials—considered the matter of delay in this application and accepted counsel's statements without requiring additional information. Equity, fairness, and procedural due process estop the USPTO from demanding such information *more than nine and almost five years* after granting the first and second petitions to revive³.

³ See *In re Zacharin*, 1 USPQ2d 1413, 1417 (Comm'r Pat. 1986) ("[i]t is not in the public interest to permit government employees or Government agencies to belatedly "re-open" appeals to reargue the sufficiency of the evidence or supplement the record.")

Courts have held that an agency may reconsider its decisions so long as it does so "within a reasonable time after the first decision." *See Belville Mining Company v. United States of America*, 999 F.2d 989, 997 (6th Cir. 1993) (citing *Dun & Bradstreet Corp. Found. v. United States Postal Serv.*, 946 F.2d 189, 193 (2d Cir. 1991); *Mazaleski v. Treusdell*, 562 F.2d 701, 720 (D.C. Cir. 1977); *Bookman v. United States*, 453 F.2d 1263, 1265 (Ct. Cl. 1972)). The U.S. Court of Claims has explained that, "absent contrary legislative intent or other affirmative evidence, this court will sustain the reconsidered decision of an agency, as long as the administrative action is conducted within a *short and reasonable time period*." *Belville Mining Company*, 999 F.2d at 1000 (citing *Bookman v. United States*, 453 F.2d at 1265) (emphasis added). The Court of Claims later clarified that "[w]hat is a short and reasonable time period will vary with each case, but absent unusual circumstances, *the time period would be measured in weeks, not years*." *Id.* at 1000 (citing *Gratehouse v. United States*, 512 F.2d 1104, 1109 (Ct. Cl. 1975)) (emphasis added). The court added that since this reasonable time period has run, 'there is no longer an opportunity to correct the procedural error retroactively.' *Id.* at 997 (citing *Gratehouse*, 512 F.2d at 1109).

What constitutes a "short and reasonable time" within which an agency may reconsider its decisions will depend on the facts of each case. *See Gratehouse*, 512 F.2d at 1104, 1109. Nevertheless, numerous courts have found that periods of more than one year are not "short and reasonable time[s]." *See id.* at 1110 (holding that a "hearing 2 years after a hearing could have been held was far too late to qualify as reconsideration."); *C.J. Langenfelder & Son, Inc. v. United States*, 341 F.2d 600, 604 (Ct. Cl. 1965) (holding that reconsideration made more than a year after original decision was "much more than a

reasonable period.""); *Gabbs Exploration Co. v. Udall*, 315 F.2d 37 (D.C. Cir. 1963) (holding passage of 27 years made agency reconsideration untimely); *Umpleby v. Udall*, 285 F.Supp. 25, 30 (D. Colo. 1968) (holding reconsideration after 16 years to be untimely).

In this case, the USPTO is reconsidering the grants of two petitions to revive rendered *over nine and almost five years ago*. This is far more than a "short and reasonable" time. As a result, Enzo is placed at an unfair disadvantage. Indeed, there are numerous problems associated with long lapses in time, including, for example, faded memories. That is certainly true in this case. *See, e.g.*, Order at page 12 ("attorney Fedus explains the delay *to the extent that he can recall...*") (emphasis added). The USPTO has thus exceeded its authority in seeking to reconsider its over nine year and almost five year-old decisions to revive this application.

C. Office Personnel Not to Express Opinion on Validity, Patentability or Enforceability of Patent

Application serial number 09/046,833, which matured into U.S. Patent No. 7,439,060, claims the benefit of the instant application under 35 U.S.C. § 120.

The MPEP states:

Public policy demands that every employee of the United States Patent and Trademark Office (USPTO) refuse to express to any person any opinion as to the validity or invalidity of, or the patentability or unpatentability of any claim in any U.S. patent, except to the extent necessary to carry out (A) an examination of a reissue application of the patent, (B) a reexamination proceeding to reexamine the patent, or (C) an interference involving the patent. The question of validity or invalidity is otherwise exclusively a matter to be determined by a court. Likewise, the question of enforceability or unenforceability is exclusively a matter to be determined by a court.

See MPEP § 1701 (8th Ed., 6th Rev.)

In now raising the question as to the appropriateness of the statements of unintentional delay made long ago in this application, and thus the correctness of its revival, the Order to Show Cause impliedly and improperly casts aspersions on the validity, patentability, and enforceability of issued U.S. Patent No. 7,439,060, which claims benefit of the instant application under 35 U.S.C. § 120. This is contrary to USPTO policy as set forth in the MPEP. Accordingly, because USPTO employees are not permitted to express any opinion as to the validity or enforceability of any claim in any U.S. patent, except under specific circumstances, Enzo respectfully requests that the Order be vacated.

D. Relief Requested

As discussed above, it is respectfully requested that the USPTO provide the following relief:

- 1) Vacate the Order issued in the above-captioned application as an untimely attempt to reconsider a previous decision of the USPTO and as being based on insufficient evidence that the earlier grant of the petition under 37 C.F.R. § 1.137(b) was improper;
- 2) Expunge from the public record any mention of confidential applications currently referenced in the Order to Show Cause for the instant application as requested in a concurrently filed petition to Expunge under 37 C.F.R. § 1.181; and
- 3) Reset the time period for responding to the Order to Show Cause to run from the date of decision on the concurrently filed Request to Expunge.

E. Conclusion

In view of the above remarks, early notification of a favorable consideration is respectfully requested.

Respectfully submitted,

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